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C O N F I D E N T I A L SECTION 01 OF 02 TEL AVIV 000357

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TAGS: PREL PGOV PINR IS KPAL IR SY
SUBJECT: LABOR'S POTENTIAL LEADERS

Classified By: Ambassador Richard H. Jones. Reason 1.4 (B/D)

¶1. (SBU) Summary: In a series of meetings with the Ambassador, Labor MKs Ami Ayalon, Avishai Braverman and Ophir Pines-Paz all aspire to lead the party following the May 28 primaries, which they believe will end the era of Amir Peretz at the helm. Ayalon and Braverman were the first to team up as a "security/socio-economic" duo to mount a campaign to challenge Peretz for the leadership of the party. Pines-Paz, who resigned his ministerial portfolio to protest the coalition's inclusion of Yisrael Beiteinu last fall, is a strong solo contender, but he may join forces with former Prime Minister Ehud Barak. All of these Labor rebels anticipate that the Winograd Committee interim report will further weaken PM Olmert and his Kadima Party; they believe the Labor primaries will serve to strengthen Labor to the point where it will become the dominant party in the coalition. On foreign policy, all the Labor aspirants are focused on moving fast-forward on the Palestinian track and remain skeptical of Syrian political intentions despite their disagreement with PM Olmert's public diplomacy on that issue.

End Summary.

Ami Ayalon/Avishai Braverman Team Up

¶2. (SBU) MK Ami Ayalon told the Ambassador January 23 that he expects the May 28 primaries to help stabilize the governing coalition because they would rejuvenate the Labor party leadership. "Whoever becomes Labor leader will boost Labor's standing in the polls," Ayalon argued, adding that the combination of Ehud Barak, Ophir Pines-Paz, Avishai Braverman and Amir Peretz in the top rungs of the party will allow Labor to lay claim to the "huge Israeli center." Contrary to press reports, Ayalon claimed that he was not advocating early, general elections: "General elections are the last resort for MKs; Kadima won't want them, and the Israeli people are fed up with elections." Although he acknowledged the possibility that Kadima "will not disappear," he thought it likely that this new party would not last more than three or four years. "Labor and Likud, with all their difficulties, are the only options."

¶3. (C) MK Avishai Braverman, for his part, told the Ambassador January 29 that he and Ayalon differed from the other Labor party contenders in their campaign to fight corruption and promote political reform. He also anticipated that the Winograd Committee would criticize Ehud Barak's decisions when he was prime minister to withdraw from Lebanon. He acknowledged that an Ayalon/Braverman "take over" of the Labor party put them at odds with the political establishment. Braverman argued that "no one can lead the Labor Party who does not take a stand against (President) Katsav (for alleged rape) and against corruption." New political leadership must be combined with serious political reform -- including more professionals in ministerial positions and fewer ministries and a five-year defense

budget, in Braverman's view. Braverman anticipated that he and Ayalon would face major challenges even if they win the Labor primaries, and said he was not sure the current Olmert-led government would last very long. He commented that both Binyamin Netanyahu of Likud and Tzipi Livni of Kadima would like to see a change of government leadership -- without new elections.

Pines-Paz - Solo For Now

¶4. (C) MK Pines-Paz assessed that the parliamentary strength of the current coalition is its paradoxical weakness. He told the Ambassador January 29 that the Winograd Committee's interim report offers the only possible mechanism for a change of government absent early elections. In any event, Pines-Paz said he felt certain that Amir Peretz would not remain Defense Minister or party leader for long -- certainly not after the May primaries. In response to the Ambassador's question on whether Labor leaders wished to retain the Defense Ministry, Pines-Paz equivocated. He acknowledged that many in the party thought that holding onto this position was not in their interest, but said he believed that Labor would retain the position, particularly as Ehud Barak "really wants it." Pines-Paz said Ayalon was not that interested in the Defense portfolio, despite public opinion favorable to Ayalon. As a contender for the leadership of the party, Pines-Paz expressed an interest in meeting USG officials to share his views. (See septel for a readout on Pines-Paz views on the recent Madrid plus 15 conference.)

Palestinian Priority and Interest in the Saudi Plan

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¶5. (SBU) MK Ayalon updated the Ambassador on his thinking about Israeli-Palestinian relations. He confided that his views were very much in synch with those of FM Tzipi Livni on the need for a political horizon. He also stressed, in particular, the need for clear positions ("Constructive ambiguity doesn't work in the Middle East"), notably a clear vision of the destination of the Quartet Roadmap; an "end to gradualism;" an international presence to fill the vacuum in the Palestinian territories; and a "regional axis of pragmatists" to bolster the weakened Palestinian partners. Ayalon argued that it is to Israel's advantage to think about what it can do to strengthen its Palestinian partner rather than continue to claim that there is no partner, and he thought that the Arab League could be instrumental to this end.

¶6. (C) Ayalon criticized Amir Peretz's recently unveiled peace plan as one that "lacked a destination" and ignored the regional dimension. In Ayalon's view, forward movement could be achieved in two phases: 1) declaration of two states followed by a cease-fire; and 2) a final status agreement in three-four years based on the principles that he and Sari Nusseibeh articulated in 2002.

¶7. (SBU) MK Braverman, just back from Davos, added that he thought the perception of an Israeli defeat in the second Lebanon War might, paradoxically, create an opportunity for a breakthrough with the Arab world. Unlike other moments in the post-1967 period, Israeli hubris was no longer an obstacle, in his view. He said that both he and Ayalon favor adopting the Saudi initiative as a basis for negotiations.

Syria

¶8. (SBU) Ayalon cautioned against leaping to take up the Syrian pitch for negotiations. "To go to Syria betrays the

pragmatists (in the Arab world)." Still, Ayalon insisted that Olmert made a mistake in appearing to explain his rationale for not talking to the Syrians by claiming USG objections. Israeli leaders must tell Syria that they are willing to talk about bilateral issues, such as the Golan, provided issues such as terror and Iran are also on the table. Not quite in synch with Ayalon's tougher stance, Braverman underscored that Israel should appear "open for negotiations." He commented that Israeli settlers on the Golan are open to creative options, such as long-term leasing arrangements, that could result from an Israeli-Syrian peace agreement.

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